



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-017]

Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review Rescission in Part, and Intent to Rescind in Part; 2019

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers/exporters of certain passenger vehicle and light truck tires (passenger tires) from the People's Republic of China (China) during the period of review (POR), January 1, 2019, through December 31, 2019. In addition, we are rescinding the review with respect to 19 companies, and announcing our preliminary intent to rescind this review with respect to eight other companies. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Michael Romani or Richard Roberts, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: 202-482-5075 or 202-482-2631, respectively.

SUPPLEMENTARY INFORMATION:

### Background

On October 6, 2020, Commerce published in the *Federal Register* the notice of initiation of an administrative review of the CVD Order on passenger tires from China.<sup>1</sup> On April 14,

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<sup>1</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 85 FR 63081 (October 6, 2020).

2021, Commerce extended the deadline for the preliminary results of this review by 120 days to August 31, 2021.<sup>2</sup>

### Scope of the *Order*<sup>3</sup>

The products covered by the *Order* are certain passenger vehicle and light truck tires from China. For a complete description of the scope of the *Order*, see the Preliminary Decision Memorandum.<sup>4</sup>

### Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the parties that requested a review withdraw the request within 90 days of the date of publication of the notice of initiation. Commerce received timely-filed withdrawal requests with respect to the following companies: Giti Radial Tire (Anhui) Company Ltd.; Giti Tire Global Trading Pte. Ltd.; Giti Tire (Fujian) Company Ltd.; Giti Tire (Hualin) Company Ltd.; Haohua Orient International Trade Ltd.; Qingdao Lakesea Tyre Co., Ltd.; Riversun Industry Limited; Safe & Well (HK) International Trading Limited; Sailun Group (HongKong) Co., Limited., formerly known as Sailun Jinyu Group (Hong Kong) Co., Limited; Sailun Group Co., Ltd., formerly known as Sailun Jinyu Group Co., Ltd.; Sailun Tire Americas Inc., formerly known as SJI North America Inc.; Sailun Tire International Corp; Shandong Guofeng Rubber Plastics Co., Ltd.; Shandong Linglong Tyre Co., Ltd.; Shandong New Continent Tire Co., Ltd.; Shandong Wanda Boto Tyre Co., Ltd.; Shouguang Firemax Tyre Co., Ltd.; Windforce Tyre Co., Limited; and Zhaoqing Junhong Co., Ltd., pursuant to 19 CFR 351.213(d)(1). Because the withdrawal requests were timely filed, and no other parties requested a review of these

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<sup>2</sup> See Memorandum, “Certain Passenger Vehicles and Light Truck Tires from the People’s Republic of China: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 2019,” dated April 14, 2021.

<sup>3</sup> See *Certain Passenger Vehicle and Light Truck Tires from the People’s Republic of China: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Order; and Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 80 FR 47902 (August 10, 2015).

<sup>4</sup> See Memorandum, “Decision Memorandum for the Preliminary Results of the 2019 Countervailing Duty Administrative Review of Certain Passenger Vehicles and Light Truck Tires from the People’s Republic of China,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

companies, in accordance with 19 CFR 351.213(d)(1), Commerce is rescinding this review of the *Order* with respect to these 19 companies noted above.

#### Intent to Rescind Administrative Review, in Part

It is Commerce's practice is to rescind an administrative review of a CVD order, pursuant to 19 CFR 351.213(d)(3), when there are no reviewable entries of subject merchandise during the POR for which liquidation is suspended.<sup>5</sup> Normally, upon completion of an administrative review, the suspended entries are liquidated at the CVD assessment rate calculated for the review period.<sup>6</sup> Therefore, for an administrative review of a company to be conducted, there must be a reviewable, suspended entry that Commerce can instruct U.S. Customs and Border Protection (CBP) to liquidate at the calculated CVD assessment rate calculated for the review period.<sup>7</sup>

According to the CBP import data, eight companies subject to this review did not have reviewable entries of subject merchandise during the POR for which liquidation is suspended.<sup>8</sup> Accordingly, in the absence of reviewable, suspended entries of subject merchandise during the POR, we intend to rescind this administrative review with respect to these eight companies, in accordance with 19 CFR 351.213(d)(3).

#### Methodology

Commerce is conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a financial contribution by an "authority" that confers a benefit to the recipient, and that the subsidy is

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<sup>5</sup> See, e.g., *Lightweight Thermal Paper from the People's Republic of China: Notice of Rescission of Countervailing Duty Administrative Review*; 2015, 82 FR 14349 (March 20, 2017); see also *Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Rescission of Countervailing Duty Administrative Review*; 2017, 84 FR 14650 (April 11, 2019).

<sup>6</sup> See 19 CFR 351.212(b)(2).

<sup>7</sup> See 19 CFR 351.213(d)(3).

<sup>8</sup> These companies are: Hankook Tire China Co., Ltd.; Prinx Chengshan (Shandong) Tire Company Ltd.; Qingdao Fullrun Tyre Tech Corp., Ltd.; Qingdao Honghuasheng Trade Co., Ltd.; Qingdao Kapsen Trade Co.; Shandong Habilead Rubber Co., Ltd.; Shandong Hongsheng Rubber Technology Co., Ltd.; and Shandong Qilun Rubber Co., Ltd.

specific.<sup>9</sup> For a full description of the methodology underlying our conclusions, including our reliance, in part, on adverse facts available pursuant to sections 776(a) and (b) of the Act, *see* the Preliminary Decision Memorandum.

The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix I to this notice.

#### Preliminary Rate for Non-Selected Companies Under Review

There are three companies for which a review was requested and not rescinded, and which were not selected for individual examination as mandatory respondents or found to be cross-owned with a mandatory respondent. The statute and Commerce's regulations do not directly address the establishment of rates to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides the basis for calculating the all-others rate in an investigation.

Section 705(c)(5)(A)(i) of the Act instructs Commerce, as a general rule, to calculate an all-others rate equal to the weighted average of the countervailable subsidy rates established for exporters and/or producers individually examined, excluding any rates that are zero, *de minimis*, or based entirely on facts available. In this review, only one mandatory respondent, Sumitomo Rubber (Hunan) Co., Ltd. (Sumitomo Rubber), had a rate which was not zero, *de minimis*, or

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<sup>9</sup> *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

based entirely on facts available. Thus, for the companies for which a review was requested that were not selected as mandatory company respondents and for which Commerce is not rescinding the review, Commerce is basing the subsidy rate on the rate calculated for Sumitomo Rubber.

#### Preliminary Results of the Review

We preliminarily determine the following net countervailable subsidy rates for the period January 1, 2019, through December 31, 2019:

<b>Producer/Exporter</b>	<b>Subsidy Rate (percent)</b>
Sumitomo Rubber (Hunan) Co., Ltd. and its cross-owned affiliates <sup>10</sup>	25.49
Triangle Tyre Co., Ltd.	124.92
<b>Review-Specific Average Rate Applicable to the Following Companies<sup>11</sup></b>	
Jiangsu Hankook Tire Co., Ltd.	25.49
Qingdao Landwinner Tyre Co., Ltd.	25.49
Shandong Province Sanli Tire Manufacture Co., Ltd.	25.49

#### Disclosure and Public Comment

We will disclose to parties in this review, the calculations performed for these preliminary results within five days of the date of publication of this notice.<sup>12</sup> Interested parties may submit case briefs no later than 30 days after the date of publication of these preliminary results of review.<sup>13</sup> Rebuttals to case briefs may be filed no later than seven days after the case briefs are filed, and all rebuttal comments must be limited to comments raised in the case briefs.<sup>14</sup> Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information until further notice.<sup>15</sup>

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<sup>10</sup> Commerce finds the following companies to be cross-owned with Sumitomo Rubber (Hunan) Co., Ltd.: Sumitomo Rubber (China) Co., Ltd. and Sumitomo Rubber (Changshu) Co. Ltd.

<sup>11</sup> This rate is based on the rates for the respondents that were selected for individual review, excluding rates that are zero, *de minimis*, or based entirely on facts available. See section 735(c)(5)(A) of the Act.

<sup>12</sup> See 19 CFR 351.224(b).

<sup>13</sup> See 19 CFR 351.309(c).

<sup>14</sup> See 19 CFR 351.309(d).

<sup>15</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 29615 (May 18, 2020); and *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this review are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, parties will be notified of the date and time for the hearing to be determined.

Unless extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

#### Assessment Rates

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producer/exporters shown above. Upon completion of the administrative review, consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review. For the companies for which this review is rescinded, Commerce will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2019, through December 31, 2019, in accordance with 19 CFR 351.212(c)(1)(i). For the companies remaining in the review, Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is

filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

#### Cash Deposit Requirements

In accordance with section 751(a)(2)(C) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts calculated in the final results of this review for the respective companies listed above with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, CBP will continue to collect cash deposits of estimated countervailing duties at the all-others rate or the most recent company-specific rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Interested Parties

These preliminary results are issued and published pursuant to sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: August 31, 2021.

Ryan Majerus,  
Deputy Assistant Secretary  
for Policy and Negotiations.

## **Appendix I**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Non-Selected Companies Under Review
- V. Diversification of China's Economy
- VI. Non-Selected Company Rate
- VII. Partial Rescission of the Administrative Review
- VIII. Intent to Rescind Administrative Review, in Part
- IX. Use of Facts Otherwise Available and Application of Adverse Inferences
- X. Interest Rate Benchmarks, Discount Rates, Input and Electricity Benchmarks
- XI. Subsidies Valuation
- XII. Analysis of Programs
- XIII. Recommendation

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